DOCUMENT RESUME

ED 262 706 HE 018 784

TITLE	Chancellor's Report, 1979-1983.
INSTITUTION	Ohio Board of Regents, Columbus.
PUB DATE	Dec 83
NOTE	23p.
AVAILABLE FROM	Ohio Board of Regents, 3600 State Office Tower, 30 East Broad Street, Columbus, OH 43215.
PUB TYPE	Reports - Descriptive (141)
EDRS PRICE	MF01/PC01 Plus Postage.
DESCRIPTORS	Academic Standards; Articulation (Education); College Preparation; *College School Cooperation; *Educational Finance; *Educational Quality; *Higher Education; Master Plans; Private Colleges; Remedial Programs; Resource Allocation; *State Colleges; Statewide Planning; Student Financial Aid; Student Placement
IDENTIFIERS	*Ohio

ABSTRACT

A summary of developments in higher education in Ohio during 1979-1983 is presented by the Chancellor of the Ohio Board of Regents. Information is provided on: public and private college enrollments; full- and part-time enrollments; degrees awarded at public institutions; the number of full-time-equivalent faculty and staff employed by public institutions; physical plant space at public institutions; college operating appropriations by type of expenditure; buying power per student (i.e, instructional subsidies per headcount student); annual student fees for Ohio residents attending public institutions; and the higher education budget. Cooperation between secondary and higher education systems is considered with attention to: remediation studies, college preparation, early mathematics and English placement testing, the Handbook of Ohio Colleges and Universities; and vocational/technical education assessment. Additional topics include: educational quality (e.g., program review, new standards); staff activities to promote linkages with business, industry, and government; new organizations to link urban universities and their communities; the 1982 Higher Education Master Plan; management studies; a revised formula for distributing instructional subsidies; health manpower studies; health professions education; and student financial aid. (SW)

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OHIO
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CHANCELLOR'S REPORT
1979—1983

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December 1983

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TO: The Governor, Members of the General Assembly, the Board of Regents and the Higher Education Community in Ohio

FROM: Edward Q. Moulton, Chancellor

DATE: December, 1983

In retrospect the past five years as Chancellor of the Ohio Board of Regents have been both professionally rewarding and frustrating. While a challenge to higher education in the area of enrollment stability during this period was anticipated, the severe economic recession which was to confront Ohioans was not. And higher education certainly was not spared any of the financial constraints imposed by the state. In spite of the history of low student support levels, our institutions responded responsibly and effectively to this potentially devastating circumstance, shielding the students as much as possible from this burden.

In spite of these circumstances the Regents were able to initiate a number of programs which put Ohio in a strong leadership role among the states in this nation during this period. These programs have been summarized in the following report.

I was most fortunate in having the support of a strong and effective Board and an excellent administrative staff. Further, I enjoyed the good working relationships with my colleagues in public and private higher education, the State Board of Education, both administrations and the General Assembly. Without this cooperation, the initiatives and achievements outlined in this report would not have been possible.

We have had to deal with some difficult issues during the past five years, but the net result, I believe, is a better positioned higher education system more responsive to the future educational, research and public service needs of this state and its citizens.

THE ENVIRONMENT 1979-83

The environment in which the Board of Regents and the higher education community operated the last five years could perhaps best be described by a series of contrasts:

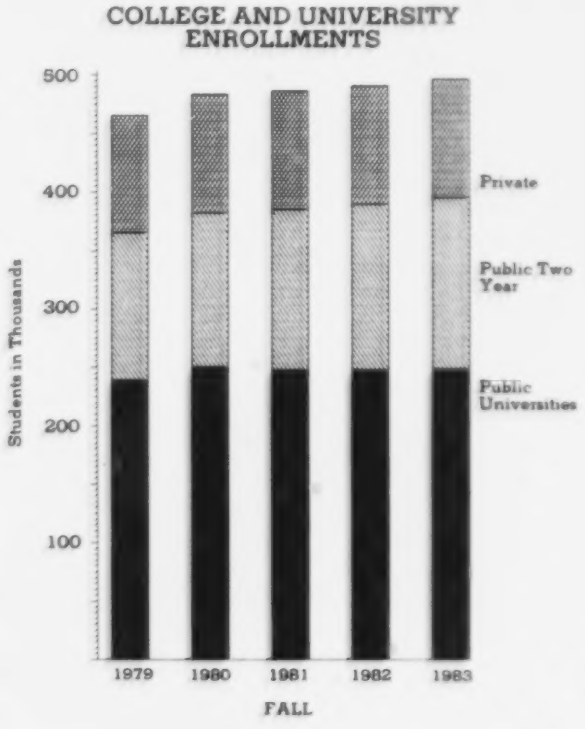
- High school graduates declined; still, college enrollments increased.
- Student fees skyrocketed; still, students came in record numbers.
- Unemployment and welfare loads were up; yet more people than ever before sought higher education opportunities.
- College and university enrollments and services reached record levels; while at the same time, funding for higher education plummeted.

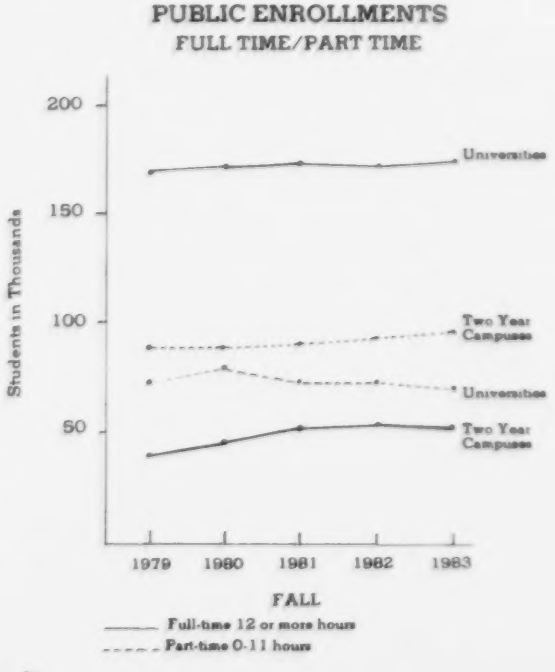
All of these conditions did exist in the 1979-83 period directly attributable to Ohio's economy and the fact that higher education is a "recession" industry. With the economy down and jobs scarce, more and more people realized the need for additional education. At the same time, shrinking state revenues demanded that the students pay an increasing share of the cost of their education. The result was a college and university system serving record numbers of Ohioans, whose programs were jeopardized by budget cuts and whose access was threatened by rapidly escalating fees. Fortunately, the 1983-85 state budget reestablished some financial stability and gave institutions and their students reason to be optimistic for the future.

Enrollments

The pool of new high school graduates in Ohio has been declining since the mid 1970's, but to date college enrollments have not felt the impact. Rather enrollments in the public colleges and universities have grown steadily, especially in the technical and community colleges which offer career-oriented education. Private college enrollments have remained relatively stable over the same period.

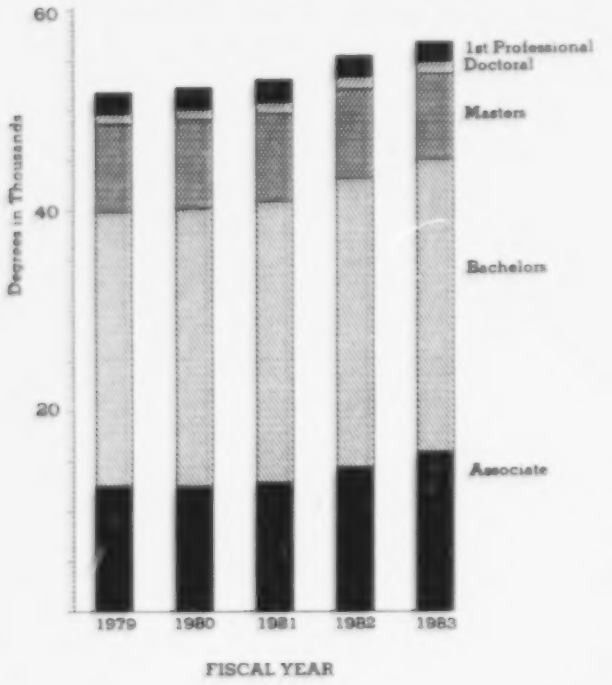
Today Ohio's public and private colleges and universities are educating nearly 500,000 students, up 35,000 since the fall of 1979. Not only has there been a major increase in adult learners, especially women, returning to Ohio's





campuses, but there is evidence that a larger percentage of new high school graduates is participating in higher education. These trends are expected to continue so long as the demand of the economy and changing job markets increase the need for persons to seek additional education. The seriousness with which persons are pursuing higher education can also be seen in the increasing numbers of degrees awarded at all levels.

DEGREES AWARDED
PUBLIC COLLEGES AND UNIVERSITIES

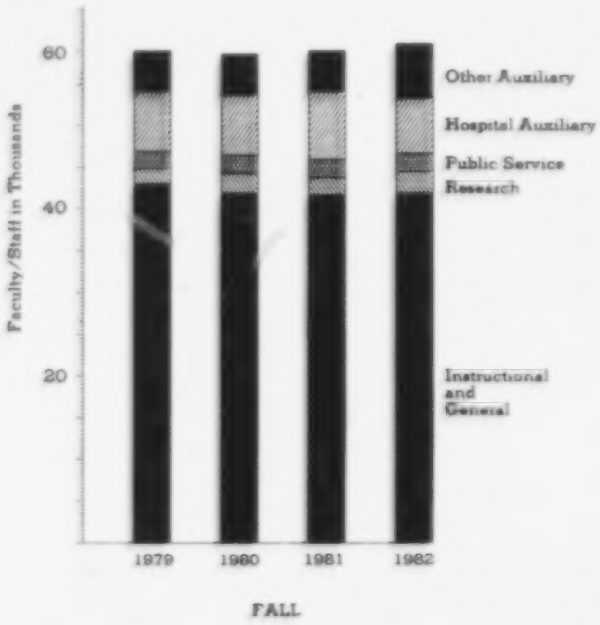


An Expanding System

To meet the increasing service needs within the higher education system, faculty and staff of the public colleges and universities have increased slightly over the five year period. However, this growth was severely constrained by the series of budget cuts implemented in fiscal years 1981, 1982, and 1983.

New program development also was constrained by funding patterns. Within the public university and college system new degree programs authorized represented in most cases

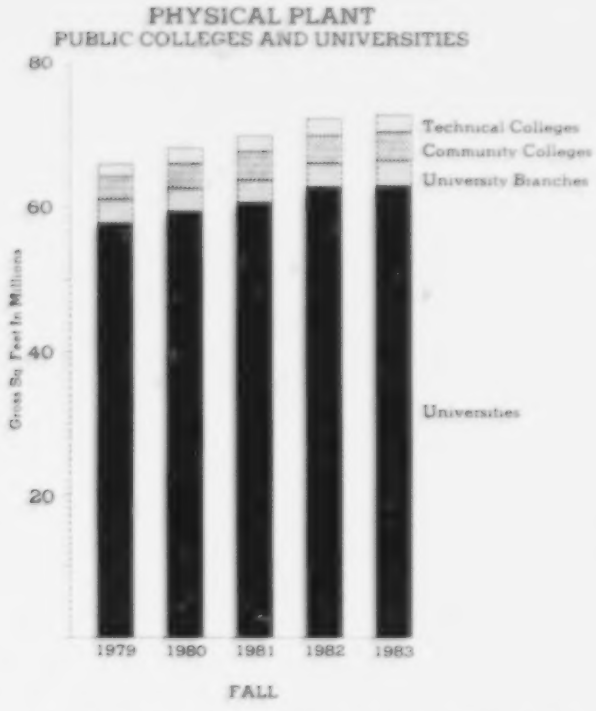
FACULTY AND STAFF (FTE)
PUBLIC COLLEGES AND UNIVERSITIES



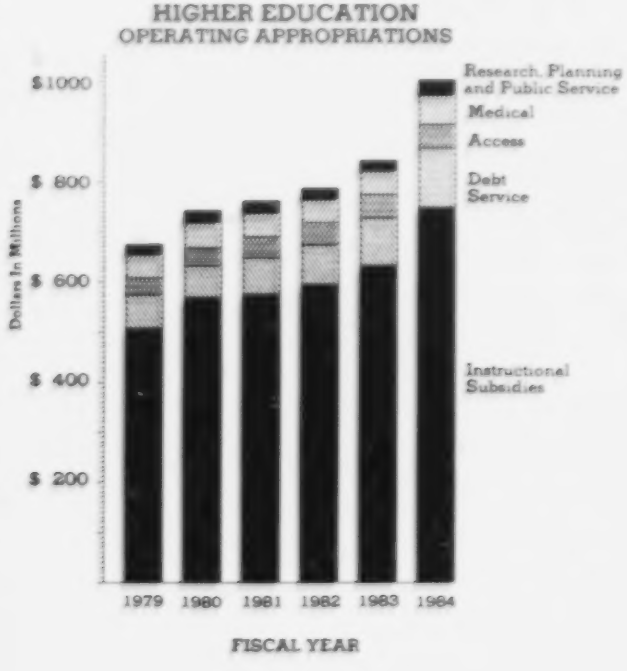
a reconfiguration of curriculum and faculty resources rather than any expanded financial commitment. In fact, during most of the period, the Board of Regents required institutions to show evidence of reduced program commitments in one area to offset any new program commitments being proposed.

Since fall 1979 the physical plant of Ohio's public colleges and universities has increased ten percent while large numbers of construction and renovation projects remain in various stages of development. This expansion was made possible by generous capital appropriations bills in 1977 authorizing $217 million and in 1981 authorizing $630 million in capital expenditures.

As a result, debt service, the interest and amortization on the revenue bonds which fund capital projects, has increased to 12 percent of the higher education operating budget. The Regents have consistently recommended that capital improvements be limited to utilities and renovation, equipment replacement and, only in special circumstances, new construction in an

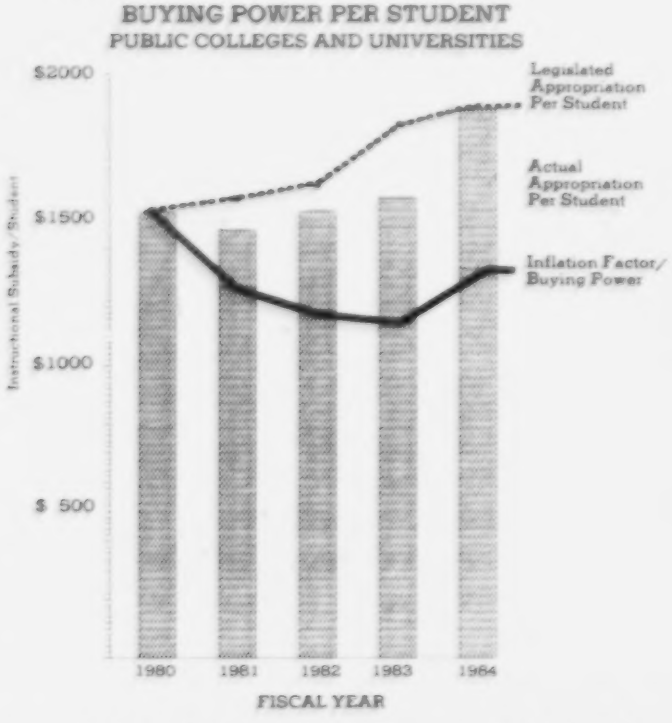


effort to hold debt service to ten percent of the operating budget. The Regents' assessment is that with few exceptions the physical plant now in place is more than adequate to serve the enrollment and program needs of the institutions through the next decade.



Funding

Confronted with record enrollments, double-digit inflation and a series of budget cuts unprecedented in recent history, Ohio's higher education system managed to survive the last five years but not without scars. The full impact of the financial instability experienced during the period is immeasurable. The erosion of quality will have to be evaluated on the basis of the time and dollars required to rebuild programs, acquire long-postponed library and equipment acquisitions, and restore fully faculty and staffing levels. The detriment to access may never be known as there is no way to determine how many or which groups of persons were closed out of a college education due to excessive costs.

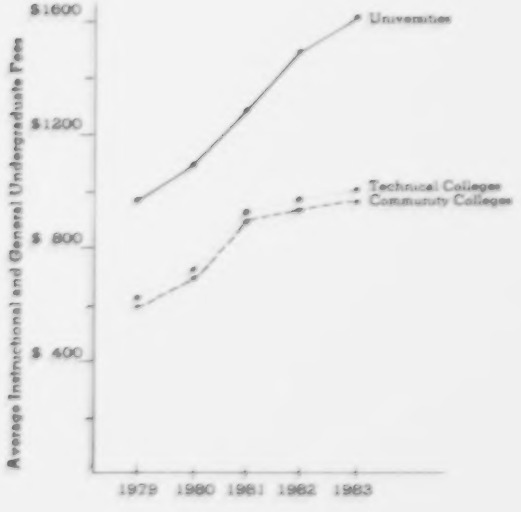


Perhaps the best way to illustrate the severity of the funding cuts endured by higher education is to look at buying power per student. Using fiscal 1980 as the base year, instructional subsidies totaled $554.6 million or $1520 per headcount student. In actual dollars, after the budget cuts, the instructional subsidies showed little growth over the next three years to $611.8 million. But when these figures are adjusted for inflation and the enrollment increases, the buying power per student dropped over 25 percent to $1146. Major improvements in the

1983-85 biennium budget will provide instructional subsidies of $1879 and $2015 per headcount student per year in actual dollars. However, when adjusted for inflation, the respective $1334 and $1359 per student subsidies do not return institutional buying power to the fiscal 1980 level.

Still another way of describing the setback is in the student/state share of cost. National averages typically show the undergraduate student's share of cost to be below 30 percent. For nearly a decade the Ohio higher education community and the General Assembly worked to reduce the Ohio student's share of cost from a high of 45 percent in the early 1970's to a scheduled 31 percent in fiscal 1981. A 33 percent share was achieved in fiscal 1980, but the state's revenue shortfall and resultant budget cuts beginning in fiscal 1981 never permitted the intended goal to be reached. Rather, in three short years, the student share returned to a new high of 47 percent, forcing student fees to increase an average of more than 20 percent per year in a state which already had among the highest fees in the nation. In the present biennial budget, corrections to 41 percent and 40 percent shares are provided, but it is likely to be several years before the 30 percent goal originally targeted for the early 1980's will be achieved.

ANNUAL STUDENT FEES
(Ohio Residents)
PUBLIC COLLEGES AND UNIVERSITIES



Return to Stability

One of the most difficult tasks the Regents and college and university administrators faced in the period was planning budgets when appropriated levels were never available for distribution. Multiple budget cuts during the year, many of which came after more than 80 percent of institutional budgets were already committed, further aggravated the problem.

Although the higher education budget for the current biennium falls about $125 million short of the Regent's recommendation for a continuation budget, it does offer substantial improvement over the last three to four years in both dollars and stability. The new budget allocates to higher education $1.8 billion for the biennium, an 18 percent increase in the first year and another 8 percent increase in the second year. This budget level permits funding of all enrollments through fall 1982 and nearly 80 percent of the enrollment growth in fall 1983. It also slows the rapidly escalating fees, makes improvements in student aid eligibility and awards, and funds new programs directed toward excellence.

But more importantly, the Governor and General Assembly have through new tax initiatives assured adequate revenues to fund the appropriated levels. The higher education system need not base its planning on false hopes, but on realistic and manageable budgets. The rebuilding process has begun!

ARTICULATION

If there is one area of accomplishment which stands out among all others during the past five years, it is the progress the Board of Regents and the State Board of Education, the colleges and high schools have made in identifying mutual concerns and seeking resolution through cooperative initiatives. Ohio's efforts have preempted several national commission studies and recommendations by three years. In fact, as most states are just now investigating increased communication between secondary schools and colleges, a strengthened college preparatory curriculum, and tighter college admissions standards, Ohio's program is well into implementation with results already evident. For this reason Ohio has been named a "lighthouse" state by the National Association of State Boards of Education and the Chief State School Officers, and will be a significant focus of a study funded by the College Board to see how these developments can best be shared or expanded nationwide.

Five areas of activity deserve special acknowledgement:

- The annual remediation studies
- Development of a college preparatory curriculum
- Early mathematics and English placement testing
- Handbook of Ohio Colleges and Universities
- Vocational/Technical education assessment

None of these activities is complete; all need continuing attention. The close working relationships that have been developed between the secondary and higher education systems over the past three years will assure that important and continued progress.

Remediation Studies

Although Ohio had been investing millions of dollars each year in remediation and developmental education to correct deficiencies of students entering public colleges and universities, little had been documented about the reasons for the problem and little if any communication existed between the schools and colleges to understand the problem. In 1980 the Board of Regents completed its first annual report on "College and University Remedial Course Enrollments in Mathematics and English." This legislatively-mandated study profiled the percentages of newly graduated high school students who enrolled in remedial coursework at Ohio's state-assisted universities and colleges. The four-year history of these reports has documented that approximately 20 percent of entering students require remediation in mathematics and 15 percent in English. The levels at different colleges vary according to the extensiveness of the institution's remedial program, its voluntary or required nature and the remedial needs of its freshman class.

This report, highly controversial at first, has become a useful tool to both high school and college administrators. It represents the first documented tracking of students from Ohio high schools to Ohio's public colleges and universities. It allows each school district to examine the percentage of its students requiring remediation at each state-assisted institution in Ohio, coupling graduates' preparedness with high school records and achievement levels. It has encouraged colleges and universities to assess and adjust their programs consistent with the evident need. It has fostered increased communications between high school counselors and college admissions officers and between high school teachers and college faculties in mathematics and English. Eventually, it should be a measure for evaluating the effectiveness of the many articulation efforts aimed at better preparing students for successful transition from high school to college. Some improvement is already evident but no major reductions in remediation levels can be expected until the new admissions requirements and recommendations are fully implemented in the mid 1980's.

College Preparation

One of the most important findings of the remediation studies has been that large numbers of students come to Ohio's colleges and universities unprepared to handle college level work, not because they didn't learn in high school but rather because they did not have adequate exposure to the courses which would have been most helpful. Ohio's "open admissions" policy provided no incentive for students to seek a

college preparatory curriculum, nor were the colleges' expectations for entering students well communicated.

In 1981 in an unprecedented effort, the Board of Regents and State Board of Education pooled their resources to assist students in making a smooth transition from high school to college. The two agencies empaneled a fifteen member Advisory Commission on Articulation to develop methods for matching high school proficiency standards with the academic expectations of Ohio's public and private colleges and universities. The seven month study resulted in a series of recommendations focusing on curriculum, teachers and communications. In 1982, an Advisory Council for College Preparatory Education was established and continues today to monitor the progress of the implementation of these recommendations.

The college preparatory curriculum encouraged for all college-bound high school students includes: 4 units of English with emphasis on composition; at least 3 units of mathematics with one in the senior year; 3 units of social studies; 3 units of science; and at least 2 units of the same foreign language. Both private and public four-year colleges and universities were urged to require successful completion of the college preparatory program for "unconditional admission." To date, nine of the twelve public universities have adopted this curriculum with some minor variations as either a recommendation or requirement for unconditional admission. Two have the proposal before their faculty senates and expect positive action in the near future. Only one remains in the preliminary stages of consideration. A number of two-year colleges have also endorsed all or some of these curricular expectations, especially the English, mathematics and science.

Extensive communications from the Board of Regents and State Board of Education and from individual universities have been directed to high schools and through the public media to students and parents. Further, a brochure detailing the recommended college preparatory curriculum will be distributed through the school system in early 1984 to all students in grades eight through eleven and their parents.

The Commission and Council reports, it should be noted, did not just quantify the college preparatory curriculum. Working with task forces comprised of both high school and college level faculties, the curriculum content and expected student competencies were outlined in each of the five areas of recommended study. Also, the Commission called for improving preservice and inservice teacher education with greater emphasis on subject content. Further, the Commission recommended teachers increase students' writing experiences, enforce more rigorous work requirements and reduce grade inflation in all subject areas. The Council is now concentrating its attention on these recommendations.

Early Mathematics and English Placement Testing

In 1979 half of The Ohio State University's entering freshmen required remedial mathematics. By 1982 that number had been reduced to 37 percent, credited in major part to a pilot program in Early Mathematics Placement Testing. Initiated by The Ohio State University Department of Mathematics in 1979, the mathematics placement test normally administered to entering freshmen was offered on a voluntary basis to juniors in selected high schools so that students could assess their preparedness for college mathematics. Where deficiencies were noted, students still had time to take an additional course in mathematics in their senior year, reducing the need for remedial coursework at the more costly college level.

Funded initially through a grant from the Columbus Foundation and now with support from the Ohio General Assembly, the Board of Regents has been able to expand this pilot program to all high schools in the state with assessment against the expectations of virtually every university in the state. The results should be evident in the next two to three years with noticeable improvements in mathematics remediation levels statewide.

Last year pilot projects to assess English skills, particularly composition, were developed by Youngstown State University and The Ohio State University. Funding in the current state budget will permit further development of these placement tests and expand availability to more high schools across the state. Full implementation of this program is expected in the 1985-87 biennium. It is hoped this program will be as

successful as the mathematics program in helping students to assess their readiness for college in time to correct any deficiencies in the most timely and cost-effective manner.

Handbook of Ohio Colleges and Universities

To assist students in making appropriate college choices, the Regents initiated a new biennial publication in the fall of 1979 for use by high school counselors, educational information specialists, high school students and their parents. This publication replaced and expanded an earlier Department of Education publication which had lost its federal source of funding. The new **Handbook of Ohio Colleges and Universities** contains current information about 150 nonprofit, undergraduate colleges and universities and diploma schools of nursing in Ohio whose programs have been certified by the Regents. A cooperative project of the Regents, the Ohio Association of College Admissions Counselors and the State Department of Education, the publication details admissions requirements, major programs of study, enrollment characteristics, costs, financial assistance, housing availability, athletics and other special-interest programs for each institution. A special feature of the **Handbook** is a summary of college student financial aid opportunities from federal, state, institutional and other sources. The **Handbooks** are distributed free to all high school counselors and college admissions and financial aid offices and sold at cost to the general public. The publication has received excellent use and wide commendation across the secondary and higher education systems.

Vocational/Technical Education

Having succeeded in their cooperative efforts relative to college preparation, the State Board of Education and the Board of Regents tackled the issue of the domains of vocational and technical education. Both the vocational education system at the secondary level and the technical education system at the postsecondary level have been offering skills-oriented, career education, often in similar program and geographic areas.

In the interest of making the best use of the state's limited resources while assuring individual educational needs are met with sound programs, the two Boards in 1983 appointed a Joint Commission on Vocational and Technical Education. The Commission's report received in November revealed that both systems were extremely well developed and offered a strength of programming consistent with the state's employment needs. However, the Commission did note duplication of some programs and services, especially for adult students, and recommended that a more permanent committee of both Boards be established to study this situation in more depth. Also, the Commission encouraged a sharing of facilities between systems wherever possible before new facilities are considered for construction at any site. The Board of Regents and State Board of Education will need to pursue this activity in the coming year.

PROGRAM QUALITY

As enrollment growth has slowed, ending two decades in which program and facilities expansion to keep pace with demand was the highest priority, Ohio's colleges and universities now have the opportunity concentrate on the quality of instruction and optimum use of resources. Several procedures implemented for institutional and state-level program review over the past few years will be essential components of enhancing quality across the system. New standards established for noncredit programming and off-campus telecourses are also under way. And two new initiatives funded in this biennium will permit institutions to reward existing centers of excellence and enhance programs at the brink of national recognition.

Program Review

Since its establishment in 1963, the Board of Regents has had statutory authority to review and approve all new degree programs at both public and private institutions of higher education. For the past seven years, five-year reviews of all existing two-year technical education programs have been conducted with the objective of strengthening the good and inactivating or restructuring the unproductive.

Efforts in the 1981-83 period to set up a similar state-level review process for public university programs failed, lacking either voluntary cooperation or legislative support. A study of institutional activities showed most to have established internal review mechanisms. However, these generally lack any external input or state-level considerations such as duplication. As indicated in the 1982 **Master Plan**, the Regents believe cooperation of the universities in a state-level program review process is critical to the future of the system and must be a high priority on the higher education agenda.

During the same period, Ohio's private colleges and universities voluntarily agreed to a quality review of existing programs, both on and off campus. The reauthorizations for central campus programs are just getting under way. However, off-campus review of 26 degree programs offered by 7 colleges at 22 sites was completed this past year. The review resulted in approval of 19 degree programs in a nontraditional format for adults at 25 off-campus sites. The major considerations upon which approval was based included strong academic control by the central campus, faculty qualifications and curriculum comparable to main campus programs and adequacy of academic resources and support services. As a result of this process, many programs were upgraded to meet the Regents' expectations, thus improving the overall quality of off-campus education for Ohioans.

Activities have also been stepped up to review and authorize the growing number of out-of-state institutions wishing to offer courses and programs in Ohio. These institutions are required to meet the same standards expected of Ohio's private colleges and universities in their off-campus offerings. To indicate the level of this activity, during the 1982-83 academic year, one university was denied authorization to operate in Ohio, one withdrew its application after an unfavorable review and four were approved, while eleven institutions remained in various stages of review. As with the private college reviews, the Regents generally found institutions cooperative throughout the process and willing to correct identified deficiencies to meet Ohio's standards.

New Standards

In 1980-81 and again in 1981-82, the Board of Regents conducted surveys of the noncredit continuing education programs being conducted on Ohio's public campuses. Contrary to the public perception that these programs are highly oriented to leisure and recreational activities, the surveys found more than 80 percent of the registrations to be in courses directed toward professional and personal development. Realizing the growing importance of these programs in job training and retraining, the Board assisted in the formation of a new statewide organization of continuing education administrators. One function which this new organization assumed was the development of standards of quality for noncredit programming. The preliminary report of the task force on quality standards for noncredit continuing education was presented to the Regents in

November 1983 and represents one of the first efforts in the country to establish quality standards for continuing education.

Similarly, the increasing use of interactive television, audio and video teleconferencing, and computer-generated instruction caused the Chancellor in 1981 to convene a state committee of institutional representatives to study and advise the Regents about the coordination of use for instructional technology in Ohio's higher education system. The Higher Education Telecommunications Committee has sponsored two statewide faculty conferences on the effective use of telecommunications, helped the Board select and promote a series of off-campus telecourses eligible for subsidy, reviewed and advised the Chancellor about the authorization of televised instruction in Ohio by out-of-state colleges, and continues to study how such programs can be reviewed at the state or regional levels. The committee will present its plan for the coordinated use of instructional technology to the Regents in spring 1984.

New Initiatives Toward Excellence

In the 1983-85 state budget, the Regents were successful in achieving funding for two new programs geared to enhance excellence. The Eminent Scholars Program is intended to bring several of Ohio's strong institutional programs to national recognition. The Program Excellence initiative is intended to reward or enhance those programs and faculties which already have achieved reputations for excellence.

The Eminent Scholars Program is funded at $4.5 million in the current biennium and will permit with institutional matches the attraction of nine distinguished scholars to Ohio. The program will establish endowments at selected institutions, the faculty position to be funded from the earnings on the endowment and thus perpetuated over time. The Eminent Scholars should attract and retain outstanding graduate students and faculty to Ohio's programs and bring new research grants to Ohio's campuses. In addition, these faculty members are expected to serve as a resource not only to other institutions in the system but also to the state's most urgent needs. The process for selecting the programs which will receive the scholars was developed with the assistance of institutional leadership and involves a preliminary screening of proposals by a group of Ohio scholars and final review by a distinguished panel of Ohio and national scholars as well as representatives of Ohio's business and industrial community. The first scholars are expected to be named by the Regents in April 1984. Considering the large number of outstanding proposals received in this first round, there is ample evidence the program is deserving of additional funding in the future.

Program Excellence is funded at $3 million for the 1983-85 biennium. The awards are expected to be made to undergraduate programs at state-assisted colleges and universities in sums of $75,000 to $200,000. These awards are intended to make substantial impact on existing programs of high quality, thus enhancing and maximizing their excellence. By design, the guidelines for the proposals are very broad to allow for the greatest creativity in submissions. Some of the possible uses of funds might be for special library collections, visiting professorships, student scholarships, faculty development or research. Again, a two-tier review process external to the Regents will be used to evaluate the worthiness of proposals with the final selection made by the Board of Regents. The first awards should be made in May 1984 with funding commencing in June 1984. This program also should be considered for funding continuation in the 1985-87 biennium.

LINKAGES WITH BUSINESS, INDUSTRY AND GOVERNMENT

In 1979, the Board of Regents began an active program of identifying and fostering cooperative relationships between higher education and business, industry and government. The purpose of these activities has been to make the extensive resources of Ohio's colleges and universities available to address current economic, technological and social needs of the state. Labeled "linkages," "partnerships," "outreach," "alliances" by different groups, the benefits of such interactions have generally been accepted across Ohio. Of course, the best example of this kind of activity is the Cooperative Extension Service which has for nearly 100 years made available the research findings and knowledge of the nation's agricultural colleges to the farming industry and agricultural businesses. Likewise, large numbers of university faculty have consulted with business, industry and government but access to such services has not always been easy.

Staff Activities

To promote linkages and coordinate higher education's responsiveness, the Board of Regents initiated several activities, including:

- Regional workshops to explore means by which educational institutions could provide better services, communicate successful programs under way and serve as catalysts for future problem-solving activities;
- Contacts with major trade and professional organizations and governmental agencies to increase awareness of higher education resources and to articulate identified needs to appropriate sectors of higher education;
- Survey and publication of exemplary services for business, industry and government with particular emphasis on resolving production, management or other problems having economic impact. Entitled the "Ohio Resource Network," this publication was distributed widely through the Ohio Chamber of Commerce, Ohio Manufacturers Association, the Small Business Section of the State Development Department and included named contacts for such assistance at each public campus.
- Formation of Work and Learning Councils in several metropolitan areas to convene business and education representatives for exchange of information on programs and activities to increase cooperation and explore possible new cooperative ventures.

Funding from the Kellogg Foundation, the Education Commission of the States, the Comprehensive Education and Training Act (CETA), and Title I of the Higher Education Act supplemented the Regents' state resources in underwriting these activities.

New Organizations

The Urban Universities Program was established by the Ohio General Assembly and the Board of Regents in 1979 for the purpose of providing a better means of linking the expertise and resources of the state's eight urban universities to the revitalization efforts of urban communities. State funding, leveraged with grants from local governments, private foundations and the federal government, has permitted the establishment of a prototype urban center program at Cleveland State University, interaction of three metropolitan universities in northeastern Ohio for faculty research in urban revitalization and cost-cutting management, and the seeding of other institutional programs in major metropolitan areas of the state. The work of this program has focused on training/education, research and development of an urban data base. The statewide program has been coordinated through the Regents' Advisory Committee on Urban University Programs, composed of representatives from all participating state universities. One of the first industrialized states to create and fund an urban universities demonstration program, Ohio has become a model for many states now considering the concept.

The Ohio Technology Transfer Organization (OTTO) was also established in 1979 with the support of the Board of Regents and funding from the General Assembly. This organization originally represented a consortial arrangement between eleven of Ohio's two-year colleges and

The Ohio State University and more recently was expanded to fifteen two-year colleges using three universities as resource institutions. The goal has been to establish a network of colleges with good geographical distribution and a strong service orientation to provide technical assistance, information and training to help Ohio's small businesses learn about and use the results of modern technology. Because of the similarity of this organization's goals with several new business initiatives in the State Development Department, the function was transferred this year from the Regents' budget to Development. However, the OTTO agents on the campuses are still a function of the institutions and their outreach efforts.

Two other organizations have focused on energy and coal research. Established by the Ohio General Assembly in 1977, the Ohio Inter-University Energy Research Council was charged to "promote, coordinate, facilitate and evaluate energy research and seek support and accept grants for energy research and development." With $2 million state support in the 1979-81 biennium, Ohio's twelve state universities and two private universities identified more than 300 energy research projects and established priorities for funding in coal research, alternative sources of energy and energy conservation. Half the state funding was dedicated to coal research through a consortium of four Ohio universities working in cooperation with other institutions, Battelle's Columbus Laboratories, the Air Force Institute of Technology (Dayton) and NASA's Lewis Research Center (Cleveland). This effort became organized as the Ohio Coal Research Laboratories Association, Inc. (OCRLA) and has continued to share and coordinate coal research and educational interests despite lack of continued state funding. The principals are now in conversation with the Department of Development and its Energy Division to see how these university resources can best be utilized to help Ohio revitalize its important coal industry.

The Alliance Proposal

As a follow-up to the thrust of the 1982 **Master Plan** and to a legislative mandate to develop a proposal for a business and industry extension service, the Regents in late 1982 recommended a permanent new organizational structure to enable higher education to better organize itself to be an effective partner of government and the private business sector with a focus toward revitalization of the Ohio economy. Named the "Ohio Business, Education and Government Alliance," the organization would be comprised of three operating councils on education and training, technology/knowledge transfer, and research and development. These councils would be directed by a coordinating council with representatives from business and industry (both management and labor), government, the General Assembly, universities and colleges and the Regents. Such a structure would permit building on the strengths of existing resources and programs.

With major changes in the administration and General Assembly in 1983, this proposal was set aside for consideration of new leadership initiatives. However, the Chancellor and the Regents have continued to work closely with the Governor, the Department of Development and the Bureau of Employment Services as the state's strategy for economic recovery is developed to assure that higher education, the state's "knowledge" industry, has an essential role in the economic revitalization process.

MASTER PLAN

Development of a **Master Plan for Higher Education** is a statutory requirement of the Board of Regents, generally occurring at five-year intervals. A series of public meetings in 1981 and written comments solicited from institutional leadership and higher education associations provided initial input to the conceptual framework of the 1982 plan. Following preparation of the first draft, copies were made widely available for additional public and institutional input and/or reaction. The final product, published in September 1982 represented the Regents' judgment from a state perspective as to the environment in which higher education would have to operate and the direction Ohio's system should take over the next decade. A summary of the 1982 **Master Plan**, subtitled "Opportunity in a Time of Change," follows:

The Environment

The strength of higher education resources in Ohio is matched by few states in the country. But the well-being of the higher education system is closely linked to the vitality of the state and nation. Full restoration to a strong economy may be slow, causing funding for basic services to remain below need for a protracted period. At the same time, the population base from which colleges and universities have traditionally drawn students is declining. Still other external factors which will greatly influence higher education planning include federal and state policy decisions, availability of student financial aid, the value of a college degree, and the changing nature of programs in response to evolving societal needs. With careful management and self-examination, the Regents believe this environment of change and uncertainty can provide new opportunity for higher education to be responsive to economic and social goals and, in doing so, to emerge from the decade stronger than ever.

A New Social Compact

The Board of Regents urges that an unprecedented cooperative effort be made to identify areas in which the needs of the state and the strengths of higher education intersect. Through this effort, a new era of collaboration between public and private colleges and universities and business, industrial and governmental leaders can be achieved. This social compact will require institutions and their faculties to increase the "front-end" investment necessary to expand public awareness and appreciation of higher education's contributions. Sustained funding for the future may well depend on the effectiveness of institutions in responding to this new opportunity for expanded service.

Improved Access and Quality

Ohio's citizens seek access to a comprehensive and responsive educational system and to a high quality of service. With the pressure of growth eased and a comprehensive system already in place, the years ahead offer a real challenge to increase quality and improve access in a period of limited financial resources.

At the undergraduate level, the Regents encourage institutions to review the purposes and expectations of general education requirements. At the graduate level, the Regents remain committed to approving only a limited number of higher quality programs and only where a clear need can be documented. In noncredit offerings, the Regents support high quality courses that assist in economic and community development.

Physical access to Ohio's higher education system remains strong. But perhaps the greatest threat to access in the years ahead is the possible reduction of federal student financial aid which could cause redistribution of student populations from private to public institutions, and from residential to urban campuses. The Board of Regents is deeply concerned about the impact of rising costs, rising fee levels, and threatened cuts to federal student aid programs. Appropriate alternatives to existing financing must be examined.

Financial Stability

Historically, the amount of tax support for Ohio's public colleges and universities has been substantially lower than in comparable states. Inflation and shrinking federal support compound the threat to quality higher education. A prolonged financial crisis, coupled with enroll-

ment uncertainties, require long-term strategic planning by institutional leaders and state officials. For institutions to remain vital, reallocation of resources, strengthening of strong academic programs, and the phasing out of lower priority programs are essential.

In the area of capital improvements, the need for very carefully selected new construction will continue, but with enrollments stable or declining, primary emphasis must be placed upon utilities and renovation, equipment replacement, energy conservation, and selected building replacement. Debt service on the revenue bonds which fund capital improvements could climb as high as twenty percent of the entire higher education operating budget if all currently authorized projects were implemented. The Regents advise against any further encroachment on the already limited funding for basic educational programs.

Consolidating Institutional Strength

Clarifying institutional objectives and missions should be chief among the priorities for higher education institutions in the 1980's. Because of financial constraints, institutions may well need to choose their best services and programs from among the good, basing these choices on the relative excellence of performance, on the centrality of programs to institutional mission, on enrollments, on geographic accessibility, and on the importance of programs to the public which institutions collectively serve. Internal and state-level program review will be essential components of this process. The Regents believe increased cooperation and collaboration among colleges and universities, both public and private, through regional consortia will also help to maintain a stable system and to enhance quality in the coming decade.

The Maturing System

Patterns of enrollments and services are not fixed, so institutions need to study trends over time. The attempt of any individual institution to change its patterns in substantial ways will have direct impact upon other competing institutions intent upon preserving their own patterns of service. Therefore, it is in the best interest of the State of Ohio that enrollment and service pattern strategies be coordinated at the local, regional and state levels, minimizing wasteful and avoidable conflict among institutions.

To bring effective focus to such statewide concerns as differing missions, geographical access, the number of similar programs reasonably required by the state, cost implications of duplicative programs, and the relative effectiveness of similar programs at different institutions, the Regents support state-level review of instructional programs. Such review should proceed separately from the internal processes of individual institutions, should be based upon patterns of developed service, and should be undertaken collaboratively with all institutions affected. Working in consort, institutions of higher education have the opportunity to move forward an agenda of positive actions which can turn a decade and more of uncertainty into a period of opportunity for enhanced service.

MANAGEMENT PLANNING

The Board of Regents has responsibility to continually assess the needs of Ohio's higher education system and see that the state's investment in the system is well managed. During the past five years, two major activities relative to better management of the system and its resources were a series of management studies and revision of the formula for distribution of instructional subsidies.

Management Studies

The 112th General Assembly appropriated $500,000 for management consultant studies in the 1977-79 biennium to focus on effective management of academic resources and maintenance of institutional flexibility and stability in a time of unstable enrollments. At the time it was believed enrollments would decline by the early 1980's consistent with reductions in the numbers of high school graduates. As enrollment growth continued, the reports perhaps received less public attention than anticipated, but for planning purposes, they have become especially valuable to institutions and the Regents. Not surprisingly, these studies are very evident in the content and direction of the 1982 **Master Plan**.

To determine the most critical issues to be studied, the Board of Regents appointed a Management Studies Task Force consisting of administrative and faculty representatives from Ohio's higher education institutions, individuals from business and industry and members of the General Assembly. Nine consultative studies were undertaken which focused on institutional and state-level program review, instructional budgeting practices, strategic planning for financial stability and flexibility, cost containment and management development.

In the judgment of the consultants, all colleges and universities needed to take direct actions to prepare themselves for the management of change and/or the management of reduced scale while increasing the diversity of programs and students to meet the needs of the changing market. The consultants also called upon institutions and the Regents to establish program review systems, to monitor competition, to modify formulas for state assistance, to establish internal programs of cost containment, to improve managerial skills of academic administrators and to evaluate programs in light of internal budget considerations.

The Management Studies, published in late 1979, were shared widely to stimulate discussion and assure appropriate follow-up by the Regents, institutions and the General Assembly. Ohio's leadership in addressing these critical planning and management topics was recognized nationally as the issues discussed were descriptive of higher education's circumstances in virtually every state of the nation.

Subsidy Formula Revision

Simultaneous to the Management Studies was the Board of Regents' initiation of a broad restudy of the formulas of support through which the State of Ohio had provided operating funds for state-assisted colleges and universities. Three advisory committees representing colleges and universities, the state's budget offices, the legislature and citizens considered how best to revamp the long-established, enrollment-based formulas of support. The principal concern of the consultations was how to assure a continued high quality of educational service during a time of adjustment to fundamental enrollment change. Committee recommendations were combined with expenditure research derived from institutional data and the Regents' Uniform Information System to develop patterns of reform through which workable budgets would emerge.

The result of the year-long consultations has been a fundamental reform in state budgeting procedures implemented in 1981-83 for which the State of Ohio continues to earn national recognition in the development and use of higher education budget formulas. Whereas Ohio had historically based its funding on full-time equivalent enrollments and actual expenditure requirements for given program models, the revised formula takes into account both fixed and variable costs. Where growth continues, full units of support are provided. Where decline occurs, certain fixed costs are protected over time to adjust to the lower enrollments without erosion of quality.

Cost components identified within the revised formula include:

- Direct instructional costs, which include faculty salaries and comprise over 50 percent of all Instructional and General Expenditures, are divided into fixed and variable components based on the incidence of single section courses. To fulfill its obligations to students majoring in approved programs, an institution must offer all courses in its required curriculum. Wherever courses are offered in multiple sections, an institution may be able to reduce the number of sections as enrollments decline, but the first section is basic to the curriculum and represents a fixed cost.
- Library acquisitions and related costs represent only 2.5 percent of Instructional and General Expenditures but are critical to the quality of academic programs. Indexed to the number and type of academic programs, these expenditures are considered as fixed costs and have been removed entirely from the enrollment base. A new index based on the number and range of programs at various institutions is weighted in favor of graduate programs, recognizing the special demands such programs make on library expenditures.
- Plant operation and maintenance costs, nearly 13 percent of Instructional and General spending, are now based on the amount and character of space operated by each institution. A new plant index recognizes standard space categories and standard support allowances for utilities, custodial services, and building maintenance. The formula recognizes special space usage patterns, including extended hours of some classrooms and laboratories, and also provides an allowance for maintaining roads and grounds. Plant costs are classified as fixed.
- Selected student services, representing 4 percent of total spending, include student admissions, registration and recordkeeping, financial aid administration, counseling, and career guidance. This category, classified as half-fixed and half-variable, allows a one-year adjustment period for the variable portion when enrollments decline. Headcount enrollments rather than full-time-equivalent enrollments determine the variable portion of this budget component.
- Administration and support, 30 percent of total spending, include general administrative and support activities — fiscal operations, logistical services, public relations and development, course and curriculum development, and administrative computing support. One-half of this category is considered fixed and one-half variable, with a one-year adjustment period for reduction of the variable portion where enrollments may decline. Full-time-equivalent student counts are used to reflect student enrollments.

As part of the formula revision, the Regents also suggested that certain changes in state policy must come over time if the desired stability during changing circumstances is to be achieved. Among the targets for longer range change are: (1) a process of program review for all instructional programs with eventual reordering of priorities; (2) space utilization studies to suggest space consolidation, reduction or alternative uses as appropriate; and (3) library collaboration for shared acquisition and use of specialized and research collections.

The restudy of budgeting techniques reaffirmed several elements of past practice. First, creation of a generalized funding formula for the system as a whole was preferred to development of unique budgets for each institution. Second, the existing 16 program expenditure models which recognize the different demands of various programs should be continued to assure equity of funding among institutions for similar programs. Third, the restudy confirmed the need for periodic adjustment of formulas. The basis for these adjustments should be continuing cost research and assessment of changing patterns of enrollments and services. Also, further revisions are needed to provide ways to reward high quality programs and efficient operations. This is a complex task, however, and may require several years of experience and consultation to achieve.

HEALTH EDUCATION

Health Manpower Studies

In 1982 the Board of Regents undertook the study of the manpower and educational needs of all health professions in the State of Ohio, including medicine, dentistry, veterinary medicine, optometry, nursing, emergency medicine and others. These studies were particularly timely in light of the continuing maldistribution of health professionals in the state and the rapid escalation of health care and education costs.

The report on physician manpower published in July 1983 identified two problems: (1) that there are well-defined underserved areas of the state due to maldistribution of primary care physicians, and (2) that the supply of new physician graduates is projected to exceed by a factor of two the number of physicians needed by the 1990's. The Regents emphasized in the report that any solutions to these problems are not vested solely with the Regents or educational institutions. They recommended establishment of a unit of state government to: develop a comprehensive data base on physician manpower needs; recommend changes in medical school admissions and licensing practices consistent with state policy and priorities; and assist underserved communities in attracting and retaining physicians. This office would have broad representation including representatives of the General Assembly, the Department of Health, the Board of Regents, the State Medical Board, educators, practicing physicians, business and labor leaders and appropriate citizen groups. Through this vehicle the Regents suggested Ohio could best assure delivery of quality health care services to all its citizens in the most effective and cost-efficient manner.

Part II of the health manpower study adopted by the Regents in October 1983 provided a status report on the supply of all other trained health professionals and the productivity of the related educational programs. The recommendations generally spoke to the issue of the adequacy of those educational programs in meeting the future demand for these health professionals. The study found that Ohio has a mature, responsive and high quality array of educational programs in the health field and that in most fields there now appears to be a balance between supply and demand. Some new degree programs may be required in allied health, notably in dietetic technology, physical therapy assisting and physical therapy. Overproduction was noted in dentistry and pharmacy and recommendations made for reducing supply more consistent with demand. No major changes were recommended for the other allied health sciences, nursing, optometry, podiatry, veterinary medicine, emergency medical services or Area Health Education Centers. However, periodic study of enrollment patterns and manpower needs was advised to keep pace with future trends.

Emergency Medical Services

The Board of Regents has responsibility for the quality of Advanced Emergency Medical Technician-Ambulance (Adv. EMT-A) and Emergency Medical Technician-Paramedic (EMT-P) education throughout the state. Quality of the initial educational programs is assured through review and re-evaluation every two years. In the past five years over 120 EMT-P program evaluations have been conducted with 37 programs currently accredited. Similarly, 40 Adv. EMT-A program evaluations have been conducted with 15 programs now functioning.

Certified Adv. EMT-A's and paramedics are required to apply for recertification on a triennial basis. The evaluation of the continuing education obtained by these individuals for compliance with requirements is also the responsibility of the Board of Regents. In the past five years Ohio has certified 6463 EMT-P's (approximately one fifth of the paramedics nationwide) and 5697 Adv. EMT-A's (also one fifth of the nationwide population). Currently there are 4572 paramedics and 4276 Adv. EMT's who hold certification in Ohio.

With the assistance of an advisory committee of practicing emergency medical services personnel, educational program administrators and physicians, the Board of Regents has in the past two years upgraded the standards for the training and certification of paramedics. The

actual number of training hours has been reduced but the program content made more rigorous. All paramedics, for example, must now take a course developed by the American Heart Association which is nationally recognized as the standard of training for persons providing advanced cardiac life support. Also, paramedics receiving initial certification must pass a state-level minimum competency examination developed by an advisory committee of practicing paramedics, nurses and physicians with expertise in prehospital care and paramedic education in Ohio. The examination is based on the knowledge and skill objectives outlined in the U.S. Department of Transportation Standard Paramedic Training curriculum.

The Regents have responsibility under Ohio law to assure Ohio residents that the persons answering emergency calls have demonstrated certain competencies. The improvements made in the training and evaluation of emergency medical personnel in recent years serve that purpose well.

Area Health Education Centers

Since fiscal year 1979 Ohio's statewide Area Health Education Centers program has attracted more than $20 million of federal funding through the U.S. Department of Health and Human Services. The Area Health Education Centers (AHEC) are community-based organizations and advisory boards responsible for administration, coordination and implementation of health professions education within designated geographic areas. By linking community health and educational resources with the academic resources of universities and medical schools, the Centers provide decentralized training and learning experiences, promote primary care education, encourage the efficient use of health professionals and improve access to health care services in underserved urban and rural areas of the state. Through the AHEC program, students in undergraduate and graduate medicine, nursing, dentistry, allied health, pharmacy and other health professions are able to get a more well-rounded clinical education, practicing professionals are able to take advantage of continuing education programs at these sites, and health promotion information is made more available to underserved communities.

Ohio's statewide AHEC program, coordinated by the Ohio Board of Regents, is a unique consortium which today connects the educational facilities of seven medical colleges, 28 health professions schools and neighboring colleges and universities to provide educational activities for students at more than 300 clinical sites and physicians' offices in medically underserved areas. The success of Ohio's statewide program has gained recognition as a model in the nation from the federal sponsors and other states initiating programs.

STUDENT ASSISTANCE

Despite the financial constraints on higher education over the past four years, the General Assembly and Governor modestly expanded the state's student financial aid programs and protected them from the series of cuts necessitated across the system. The Regents had urged this protection in light of the rapidly escalating fees at both the state's public and private colleges and universities and the reduction of several federal financial aid programs over this same period.

Ohio Instructional Grants

In fiscal year 1979, the need-based Ohio Instructional Grant Program distributed approximately $22.5 million to more than 50,800 students attending public and private nonprofit colleges and universities and diploma schools of nursing. Grant levels increased 20 percent that year and the maximum family income for eligibility increased from $16,999 to $19,999. In fiscal year 1980, the program was expanded to include eligible students enrolled in associate degree programs at proprietary schools. The program was not expanded any further until the current year in which the awards were increased 5 percent and the family income ceiling raised to $24,999. Participation in the program this year exceeds 66,000 students and $40 million. Another 5 percent increase in awards is authorized for next year to help the program keep pace with inflation and rising fees.

Ohio Academic Scholarship Program

The Ohio Academic Scholarship Program established by the Ohio General Assembly was first implemented in fiscal year 1979. It provides $1,000 scholarships to 1000 Ohio high school seniors based on academic achievement (high school grade point) and ability (ACT scores). The scholarships are renewable for four years and are intended to reward academic excellence and to encourage Ohio's most outstanding students to further their educations within the state. Initially only students enrolled full-time in Ohio's public and private nonprofit institutions were eligible, but this was expanded to include students enrolled in degree programs at proprietary schools in fiscal 1981. At the same time a change in the law made it possible for those academic scholars who accelerated their undergraduate programs to use the remainder of their four-year scholarships in graduate school in Ohio. Now in its sixth year of operation, the program has been regarded very successful in meeting its objectives.

Ohio National Guard Scholarships

The Ohio National Guard Scholarship Program, also implemented in fiscal 1979, provided full tuition at a public institution for persons enlisting or re-enlisting in the Ohio National Guard for a minimum of six years or the average of the public tuitions for a person choosing to enroll in a private college or university. The program was administered in cooperation with the Guard and served as a recruitment tool. Participation in the program increased from 674 students at a cost of $550,000 in fiscal 1979 to over 3500 students at a cost of $4.2 million in fiscal 1983. The program was considered a major success by the Guard in that it not only aided recruitment numbers but appeared to attract higher quality persons to the Guard. From the beginning, however, the program costs were almost impossible to predict or administer when the Guard had the responsibility for enrollment and the Regents for administration. Therefore, at the urging of the Regents, the budget and full administration of the program were turned over to the Ohio National Guard in July 1983. The program has always been perceived more as a recruitment mechanism than as a student financial aid program and, as such, is best administered within the priorities of the Guard.

Ohio War Orphans Scholarships

The War Orphans Scholarships assist children of deceased or disabled Ohio war veterans in attending college. The program pays all general and instructional fees for eligible students enrolled in public institutions and the average public fees for students attending private nonprofit institutions. A similar program for children of Vietnam conflict MIA's and POW's provides fees, room and board and books for eligible students attending public colleges or the average dollar equivalent for those choosing private nonprofit colleges. No major changes in these programs were made during the last five years. However, participation and cost did increase from 500 students and $467,000 in fiscal 1979 to 608 students and $922,000 in fiscal 1983.

About The Chancellor . . .

Dr. Edward Q. Moulton served as Chancellor of the Ohio Board of Regents from January, 1979, through December, 1983. Prior to his appointment to the Board, he served as a member of the faculty and administrator at The Ohio State University for twenty-four years, last as vice president for business and administration, secretary of the board of trustees, and professor of civil engineering. He also served as president of the University of South Dakota from 1966 to 1967.